

American

NEWS & VIEWS

A Daily Newsletter from Public Affairs, American Embassy

October 21, 2010

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Legal Rulings Give Corporations a Greater Voice in U.S. Elections

By Stephen Kaufman
Staff Writer

Washington— Election season in the United States means the airwaves are now saturated with political ads, including those from independent advocacy groups attacking or defending a candidate's position or voting record. But as the result of a January U.S. Supreme Court ruling, entities such as companies and labor unions now can spend as much they want in the 2010 midterm election to promote their political views, and even launch new ads in the closing days of the campaign, leaving no time for an effective opposition response.

The January 21 ruling on the case between the nonprofit Citizens United and the Federal Election Commission invoked the clause in the First Amendment to the U.S. Constitution that guarantees free speech. Although corporations and unions cannot make direct contributions to U.S. politicians, a slim majority of justices (5-4) decided that, like people, those types of entities should still have the right to unlimited expression of their political views.

The decision overturned previous legal rulings that upheld restrictions on corporate and union spending in support of or in opposition to political candidates, as well as the section in the 2002 McCain-Feingold campaign finance reform law that banned corporations and unions from paying for political ads within 30 days of a primary election and within 60 days of a general election. In other words, with less than a month before the November 2 midterm election, some of the political ads that may be influencing American voters now might have been prohibited less than a year ago.

In the wake of the Supreme Court ruling, as well as a March decision by the U.S. Court of Appeals for the District of Columbia Circuit to allow the organization SpeechNow to raise unlimited and unrestricted political funds, some Americans may have noticed that there are many more political ads in the 2010 election season, especially when compared to the 2006 midterm election, according to Dave Levinthal. Levinthal is communications director and OpenSecrets blog editor at the Washington-based Center for Responsive Politics, a nonpartisan, nonprofit research organization that monitors the role of money and elite influence in U.S. politics.

"Certainly, nationwide, we're seeing an influx of messages, particularly in very competitive races," he told America.gov. "So if you live in a district or live in a state that has a particularly competitive race, it's likely that you're seeing many more TV ads and listening to many

more radio ads and reading many more newspaper ads than you have in previous election cycles."

In fact, organizations outside of the political parties and individual candidates have poured \$211.5 million into various 2010 federal contests as of October 20. This figure, Levinthal said, "will continue to go up, without question," and stands in stark comparison to the \$68.8 million that was spent for the entire 2006 election cycle.

"We're looking at exponentially more outside money flowing into congressional elections, and certainly much of that can be attributed to the federal court decisions that have taken place this year affecting campaign finance," he said.

In addition to allowing unlimited spending, current U.S. election laws stipulate that nonprofit groups can raise money from corporations, labor unions and other sources inside the United States for their own political ads and activities and do not need to disclose the sources of their money. There is no limit on spending such funds. The exception to the disclosure law is nonprofit 527 groups, which were created solely for political purposes.

"The Supreme Court decision just opened up a very broad new avenue for pouring money into political elections so long as they are independent expenditures or messages that are not coordinated with campaigns," Levinthal explained.

This means that, in the case of some of these ads, the average American voter cannot even tell who is providing the money behind the political message.

In his January 23 weekly radio address, President Obama said the Supreme Court ruling "opens the floodgates for an unlimited amount of special interest money into our democracy," including money from foreign corporations that could be opposed to such initiatives as increased U.S. energy independence.

More recently, campaigning for Democratic Representative Chris Carney in Pennsylvania October 18, Vice President Biden said, "We don't need to give any more voice to the powerful interests that already drown out the voices of everyday Americans." Biden challenged Republican fundraisers and interest groups to explain exactly where their money is coming from, including "how much of the money they're investing is from foreign sources."

But Senate Minority Leader Mitch McConnell (Republican from Kentucky) argued January 28 that Democratic leaders are "completely wrong" in warning that the Supreme Court ruling allows foreign companies to influence U.S. election campaigns and praised the court

for having “ended the suppression of corporate and union speech.”

Twenty-six U.S. states had already been allowing corporations and unions to exercise unlimited political expression, he argued, and those contributions have “had no discernable adverse impact.”

Levinthal said that in the current debate over the possibility of non-U.S. funding in American campaigns, it is indeed still the case that foreign corporations “cannot and should not be able to make contributions to political candidates or engage in political messaging.”

The problem, he explained, is that U.S. laws do not force nonprofit organizations to disclose the identity of their donors. Are some groups affiliated with Republicans and Democrats using foreign money? “We just simply don’t know in any empirical way because that information is not available to us. We simply can’t see it,” Levinthal said.

Behind the question over the ability of corporations, unions and other groups to use their wealth to influence elections is the notion, legally upheld by U.S. courts for nearly 200 years, that groups of people and shareholders enjoy all of the same rights that they would have if they were acting on their own.

But as American democracy has evolved, this right has been challenged by those who say that an average person cannot wield the same amount of resources or influence that a corporation can. The current discussion over disclosure adds another element to the long debate on U.S. campaign finance reform: does a voter’s right to know who is influencing election materials outweigh a donor’s right to privacy?

U.S. Protects Forests, Highlights Climate Change Mitigation Role

Washington — Costa Rica’s trees again will benefit from an innovative U.S. program to promote conservation of the world’s tropical forests.

The U.S. Treasury Department announced October 15 that the governments of the United States and Costa Rica, the Central Bank of Costa Rica and the U.S.-based nonprofit Nature Conservancy have signed agreements that will provide more than \$27 million over the next 15 years for tropical forest conservation in Costa Rica.

The agreements mark the second time Costa Rica is enjoying the advantages of a U.S. law — the 1998 Tropical Forest Conservation Act (TFCA) — that authorizes such pacts. Under its provisions, nations that commit to conserving and protecting their own natural resources are

forgiven, as an incentive, some of their official debt to the United States.

The TFCA is administered by three U.S. government agencies: the State and Treasury departments and the U.S. Agency for International Development (USAID). Participating nongovernmental organizations include the Nature Conservancy, Conservation International and the World Wildlife Fund.

The TFCA benefits both the United States and other countries, according to the State Department. The program offers the United States a way to advance its goal of protecting forests worldwide. Partner countries benefit by redirecting their debt payments from the U.S. government into local funds to provide a “steady stream of financing to support forest conservation projects.”

The 2010 Costa Rican agreements, combined with a previous TFCA program established in 2007, make Costa Rica the largest beneficiary of the program to date, with more than \$50 million generated for the conservation, restoration and protection of tropical forests.

Funds will support the efforts of the Costa Rican government, working with the Forever Costa Rica project (a new public-private conservation initiative), to develop and sustainably finance an integrated system of protected areas, according to the Treasury Department.

Specific areas that will benefit include the Osa Peninsula, which encompasses the Terraba-Sierpe mangrove swamps, the Naranjo and Savegre rivers complex, one of Costa Rica’s most biodiverse areas, and La Amistad International Park, home to one of Central America’s largest ecosystems.

The new agreements were made possible by the contribution of more than \$19.6 million by the U.S. government and a donation of more than \$3.9 million by the Nature Conservancy.

The new Costa Rican agreement marks the 17th TFCA deal for the benefit of 14 countries in Latin America, Central America, the Caribbean, Asia and Africa: Bangladesh, Belize, Botswana, Brazil, Colombia, El Salvador, Guatemala, Indonesia, Jamaica, Panama (two agreements), Paraguay, Peru (two agreements) and the Philippines.

NEW DATA SHOW HOW FORESTS MITIGATE CLIMATE CHANGE

Also on October 15, the U.S. Department of Agriculture released a report that highlights the important role forests play in offsetting the climate-changing effects of greenhouse gas emissions.

The report's findings, which focus on U.S. forests, underscore the importance of fighting deforestation worldwide.

U.S. forests offset roughly 11 percent of industrial greenhouse gas emissions released each year in the United States, the USDA's Forest Service found. It reports that 41.4 billion metric tons of carbon are currently stored in the nation's forests. Due to increases in both the total area of forestland and the carbon stored per hectare, an additional 192 million metric tons of carbon are sequestered in U.S. forests each year.

The additional carbon sequestered is the equivalent of removing almost 135 million passenger vehicles from the nation's highways.

"America's forests play a critical role in combating climate change, collectively capturing and storing significant amounts of carbon that would otherwise pollute the atmosphere," said Agriculture Secretary Tom Vilsack in the USDA announcement. "Forest management on all lands can contribute significantly toward cooling a warming planet, and this new information will assist the public and policy-makers as we work to address this significant issue."

U.S. national forests (those owned and managed by the U.S. federal government) contain an average of 77.8 metric tons of carbon per acre (.4 hectare): a greater density than on private (60.7 metric tons of carbon per acre [.4 hectare]) or other public forest lands (68.3 metric tons of carbon per acre [.4 hectare]). However, private forestlands store more total carbon than national forests.

The report found the average amount of carbon per acre varies regionally and by type of forest. In general, forests with larger trees and higher tree density store more carbon than forests with small trees and fewer trees per hectare.

"A strong accounting method serves as the crucial first step in assessing carbon sequestration potential in our nation's forests," said Ann Bartuska, USDA's deputy undersecretary for research, economics and education. "Today's report reflects a continued emphasis to remain on the cutting edge of forest carbon research and science."

The new estimates are based on 2010 data from annual forest inventories that assess carbon storage state by state across the country's federal, state and private forests. Researchers analyze tree species and ages, forest density, forest area and numerous other factors in quantifying carbon storage.

The Forest Service has provided these data to the Environmental Protection Agency annually for the past 18

years.

The Forest Service manages 77.2 million hectares of forests and grasslands across the United States. An additional 241.6 million hectares are managed primarily by private land owners, with states, local governments and other federal agencies managing the remainder.

Holder: Cooperation Needed to Fight Intellectual Property Crimes

By Merle David Kellerhals Jr.
Staff Writer

Washington — U.S. Attorney General Eric Holder has called for greater international law enforcement cooperation to combat intellectual property piracy, which robs industry of billions of dollars annually and endangers the safety of consumers worldwide.

"For too long, these illegal activities have been perceived as 'business as usual,'" Holder said October 19 at the 2010 International Law Enforcement IP Crime Conference in Hong Kong. "But not anymore. Stealing innovative ideas or passing off counterfeits can have devastating consequences for individuals, families and communities."

The piracy of various types of intellectual property, from books to music and movies to games and computer software and pharmaceuticals, has cost industry billions of dollars and endangered consumers with counterfeit goods and shoddy products. Holder said that this form of intellectual piracy threatens economic opportunities and financial stability, and it suppresses the ingenuity of people and businesses.

"Intellectual property crimes are not victimless. And we must make certain that they are no longer perceived as risk-free," Holder added.

The major victim of intellectual property piracy, for example, is technology product manufacturers, according to the Business Software Alliance (BSA) and the International Data Corporation (IDC). And, according to a 2009 industry report, nearly 79 percent of the software used on computers in China is pirated, an estimated 7 percent decrease from 2005.

The estimated commercial value of pirated software in the United States is approximately \$8.3 billion, by far the largest amount of any nation, and in China it is approximately \$7.5 billion, according to BSA and IDC statistics.

Recent industry reports now estimate that worldwide more than 40 percent of all computer software installed on personal computers is obtained illegally, Holder told

the conference. It costs the industry about \$50 billion annually. Worse though, Holder said, is that these crimes have ripple effects across the entire global computer manufacturing industry.

According to INTERPOL, "trademark counterfeiting and copyright piracy are serious intellectual property crimes that defraud consumers, threaten the health of patients, cost society billions of dollars in lost government revenues, foreign investments or business profits and violate the rights of trademark, patent and copyright owners."

Holder told conference delegates that global criminal networks increasingly are funding their illegal activities through intellectual property crimes, and the challenge facing law enforcement agencies is not simply to keep up with the crimes, but to develop strategies that are more sophisticated than those used by the criminals.

"Our collaboration across borders must become more seamless," Holder said. "If we are going to turn the page on the problem of international intellectual property crime, we must fully assess current efforts and commit to making meaningful, measurable enhancements."

Holder traveled on to Beijing following the Hong Kong conference to meet with Chinese officials to discuss bilateral efforts to combat intellectual piracy crimes and law enforcement efforts through the Intellectual Property Working Group of the U.S.-China Joint Liaison Group for Law Enforcement Cooperation.

"I hope we can work to identify the most pressing and perilous gaps in our enforcement mechanisms — and begin taking the steps required to close these gaps, strengthen IP protections and fulfill the most critical obligations of public service," Holder told the conference.

Northern Ireland's Leaders Meet with U.S. Investors

By Merle David Kellerhals Jr.
Staff Writer

Washington — New investment in Northern Ireland by U.S. corporations brings with it new jobs and opportunities for people, particularly young people, says Secretary of State Hillary Rodham Clinton.

Clinton hosted a one-day U.S.-Northern Ireland Economic Conference in Washington October 19 to support the peace process and also to enhance and promote U.S. investment and the economic growth of Northern Ireland.

"For a time, when Americans, and particularly American businesses, heard the words 'Northern Ireland,' the first

thing that came to mind was not investment opportunities," Clinton told delegates from Northern Ireland and major U.S. companies. "It really froze the potential for development, despite the work ethic and the achievements of the people themselves."

"Thanks to the courage and hard work on behalf of the people from every community and every part of Northern Ireland, now when people say 'Northern Ireland,' the words that come to mind are 'reconciliation, hope and opportunity,'" Clinton added.

As the conference was opening in Washington, the Dow Chemical Company announced that it was establishing a Dow Design & Modify Supply Chain Center in Belfast, Northern Ireland, which is expected to create 25 skilled jobs. The official announcement also was made at the economic conference in Washington by Northern Ireland First Minister Peter Robinson and Deputy First Minister Martin McGuinness.

At the same time, the Terex Corporation announced plans to expand its existing operations in Northern Ireland by locating its European Global Business Services Center in Dungannon, a move that is expected to create 35 new skilled jobs.

Robinson told reporters that the economic conference will allow the government to sell Northern Ireland as an investment location to some of the most successful and best-known companies in the United States.

"Fostering economic growth in Northern Ireland will do more than provide much-needed paychecks. It will do more than open new markets," Clinton told conference delegates. "A stronger economy in Northern Ireland will help secure a lasting peace."

Peace in Northern Ireland is a "bedrock foreign policy priority for the United States," Clinton said.

"Selecting Belfast as the location for the expansion of our global supply chain organization is a meaningful example of our commitment to strategic investments that support our long-term business objectives while also enabling us to have a positive impact on a region and community," said Andrew Liveris, Dow chairman and chief executive officer.

Dow officials said Belfast was selected for the center because its location provides easy access to mainland Europe and it has a highly educated engineering graduate pool in the region and a strong communications and transportation infrastructure. Also cited was Northern Ireland's collaborative approach to economic growth across government, academia and business.

Clinton told delegates that the economic conference was not an add-on to the peace process, but an essential element of building a better community. Clinton addressed the Northern Ireland Assembly in Belfast in October 2009.

The conference was focused on promoting investment in Northern Ireland, but also on trade between that region and the United States, which underlines Secretary Clinton's belief that economic investment is the best means to build on the political progress, says Declan Kelly, the U.S. economic envoy to Northern Ireland and organizer of the conference.

"Northern Ireland is a very good fit because of its location, obviously, its English-speaking work force, the time zone, the high level of education, and the common ties with the United States," Kelly said during a post-conference press briefing. Kelly was appointed as the economic envoy September 11, 2009, by Clinton.

Kelly told reporters that the conference exceeded targets for investors. He said there were 16 existing major investors and approximately 17 potential investors interested in projects in Northern Ireland.

U.S. corporations sent teams to the conference to explore investment opportunities from more than one approach or even product line, Kelly said. If numbers are used as a measure of success, Kelly said, Northern Ireland has created more than a thousand new jobs in the last year from outside companies, many of them from the United States, "which on a per capita basis is a much better performance than many other countries in the world."

It was coincidental that Dow Chemical announced it was coming to Northern Ireland, Kelly said, but it is a major advancement for the region because Dow is one of the largest companies in the world. Dow officials at the conference made a commitment to staying involved, he added.

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